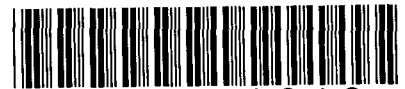


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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

2007 APR 30 P 1:18

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APR 30 2007

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

AZ CORP COMMISSION
DOCUMENT CONTROL

DOCKETED BY

[Signature]

IN THE MATTER OF THE PETITION OF DIECA
COMMUNICATIONS, INC., d/b/a COVAD
COMMUNICATIONS COMPANY FOR
ARBITRATION OF AN INTERCONNECTION
AGREEMENT WITH QWEST CORPORATION.

DOCKET NO. T-03632A-04-0425
DOCKET NO. T-01051B-04-0425

PROCEDURAL ORDER

BY THE COMMISSION:

On June 8, 2004, DIECA Communications, Inc., dba Covad Communications Company ("Covad") filed with the Arizona Corporation Commission ("Commission") a Petition for Arbitration of a proposed interconnection agreement with Qwest Corporation ("Qwest") pursuant to A.A.C. R14-2-1505 and Section 252(b) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 ("the Act").

In Decision No. 68440 (February 2, 2006), the Commission issued its Opinion and Order in the Arbitration. Among other things, the Decision directed that a "further phase of this proceeding shall be instituted within 30 days to determine just and reasonable rates consistent with state and federal law" (*Id.* at 23).

On March 3, 2006, the Arbitrator conducted a telephonic procedural conference with counsel for Covad, Qwest, and Staff. As a result of the conference call, Qwest filed a Joint Motion for Extension of Time to Commence Further Phase to Determine Just and Reasonable Rates. The Joint Motion stated that Qwest and Covad were discussing rates that may be acceptable to both parties, and therefore requested an extension of the time period, until March 20, 2006, for initiating the further phase of this proceeding.

By Procedural Order issued March 3, 2006, the requested extension was granted until March 20, 2006.

On March 20, 2006, Qwest, Covad, and Staff filed a Second Joint Motion for Extension of Time to Commence Further Phase to Determine Just and Reasonable Rates. The parties stated that

1 they were continuing to engage in good faith negotiations in an attempt to resolve the further phase
2 issues and requested a further extension, until April 10, 2006, to complete those negotiations.

3 During a teleconference on November 8, 2006, Qwest and Covad indicated that they had
4 reached an agreement in principle regarding the "Phase II" rates and, therefore, no additional
5 hearings were necessary. However, Staff believed a hearing regarding the Phase II issues should be
6 conducted.

7 On November 20, 2006, the parties filed a Joint Motion for Continuance of Procedural
8 Conference. By Procedural Order issued November 29, 2006, a telephonic procedural conference
9 was rescheduled from November 20, 2006 to December 6, 2006.

10 During the December 6, 2006 telephonic procedural conference, Covad and Qwest stated that
11 a settlement had been reached that resolves the relevant issues and there is no need to pursue a
12 subsequent phase of this proceeding. However, Staff indicated that it does not believe the settlement
13 between and Covad and Qwest satisfies the intent of the Commission's prior Order. Following a
14 discussion, Covad and Qwest were directed to file a brief and a request for approval to amend their
15 interconnection agreement by December 22, 2006. Staff was ordered to file a reply by January 12,
16 2007.

17 On December 20, 2006, Covad and Qwest filed a Joint Brief Relating to Phase II Proceeding
18 and Requesting Approval of Amendment to Interconnection Agreement.

19 On January 12, 2007, Staff filed a Request for an Extension of Time to file a response to the
20 Covad/Qwest filing due to the unavailability of the Staff member responsible for this matter.

21 By Procedural Order issued January 22, 2007, Staff's extension request was granted.

22 On January 24, 2007, Staff filed a Memorandum in response to the Joint Brief filed by Covad
23 and Qwest.

24 On February 7, 2007, Qwest filed a Reply to Staff's Memorandum Relating to Phase II
25 Proceeding. Qwest also separately filed a Survival Agreement and Request for Approval on February
26 7, 2007.

27 On April 3, 2007, Staff filed a Motion to Consolidate Dockets and Response to Cox Arizona
28 Telcom's Motion to Commence Phase III of the Qwest UNE Pricing Docket (Docket No. T-00000A-

1 00-0194). Staff proposed a procedural schedule for considering a consolidated proceeding, and
2 requested that a procedural conference be scheduled.

3 On April 24, 2007, Qwest filed an Initial Response to Staff's Motion to Consolidate Dockets.
4 Qwest argues that because the initial Arbitration Order in this docket (Decision No. 68440) is on
5 appeal in federal court, Phase II of the proceeding should not move forward until that appeal is
6 resolved.

7 On April 25, 2007, Covad filed a Response to Staff's Motion to Consolidate Dockets. Covad
8 states that it supports Staff's Motion and Phase II should not be held in abeyance pending resolution
9 of the federal court appeal.

10 IT IS THEREFORE ORDERED that a **procedural conference shall be scheduled for May**
11 **10, 2007, at 1:30 p.m.**, at the offices of the Commission, 1200 West Washington, Phoenix, Arizona.

12 IT IS FURTHER ORDERED that the Arbitrator may rescind, alter, amend or waive any
13 portion of this Procedural Order by subsequent Procedural Order.

14 Dated this 30th day of April, 2007.

15 

16 DWIGHT D. NODES
17 ARBITRATOR

18 Copies of the foregoing mailed/delivered
19 this 30th day of April, 2007 to:

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21 ROSHKA DEWULF & PATTEN, P.L.C.
22 One Arizona Center
23 400 East Van Buren Street, Ste. 800
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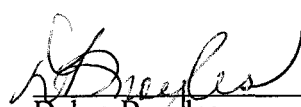
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Secretary to Dwight D. Nodes